amo REPORT

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"PRESSURES ON THE PARTNERSHIP": RESPONSE TO THE PROVINCIAL-MUNICIPAL SOCIAL SERVICES REVIEW DISCUSSION PAPER

THE ASSOCIATION OF MUNICIPALITIES OF ONTARIO

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ASSOCIATION OF MUNICIPALITIES OF ONTARIO

The Association of Municipalities of Ontario, a non-partisan voluntary organization, is united to promote the values of the municipal government system and the status of the municipal level of government as a vital and essential component of the total inter-governmental framework of Ontario and Canada.

The Association acts as the collective voice of Ontario's municipal governments and is organized to accomplish through cooperation and coordination, what the majority have neither the time nor the resources to do individually.

The Association represents some six hundred (600) municipal governments throughout Ontario. The governing body is composed of some eighty (80) municipal elected and appointed officials, who in turn represent a wide-range of municipal government interest.

The following sections and affiliated municipal professional associations form an important part of the Association's structure and therefore, play an important part in its activities in terms of the Board of Directors, program and policy development:

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* Ontario Municipal Social Services Association
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To the Municipal Clerk:

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AMO Report 88-6 "Pressures on the Partnership" was transmitted to the Provincial-Municipal Social Services Review Committee on August 31, 1988. The report was also forwarded to the Ministry of Community and Social Services, Ministry of Municipal Affairs and Ministry of Treasury and Economics.

1. EXECUTIVE SUMMARY

As a participant with the Ontario Municipal Social Services Association and the Ontario Ministry of Community and Social Services in the Provincial Municipal Social Services Review, AMO is pleased to submit its own response to the Provincial Municipal Social Services Review Discussion Paper.

Rather than limit its attention to the detailed consideration of current cost-sharing and other arrangements between the provincial government and the municipal sector, AMO has proposed a framework for the restructuring of those arrangements.

It is evident that the current social services system in Ontario is highly complex and that the rationale for certain of its elements is unclear. It is similarly evident that the performance of the system has not been the subject of a comprehensive review in many years.

Currently, the entirety of the community and social services network in Ontario is in transition as the Ontario government proceeds to consolidate an expanding human services network and to rationalize questions of funding and accountability.

The related undertakings of the Social Assistance Review Committee, the Agency Relations and Accountability Project and the Health and Social Service Organization Review are testament to the breadth of review now taking place. Accordingly, AMO submits that a principled and thoughtful response is both desirable and necessary.

One of the Association's important perspectives in this undertaking is that the municipal role in the planning, funding and delivery of social services is important and valuable; and that the current review should be aimed at rationalized improvements to that role and to the continuing provincial-municipal partnership in general.

It is axiomatic that all such joint intergovernmental undertakings have as their first goal the efficient delivery of high quality, accessible and affordable social services to those in need.

This report reviews the current pressures on the provincial-municipal partnership and outlines a number of current areas where improvement is required (Section 3).

The heritage of the municipal role in Ontario is reviewed, and definition given to the strengths and attributes that commend municipal involvement in the social service field (Section 4).

Analyses of current arrangements are then undertaken in matters relating to the financing, (Section 5) planning, (Section 6) and delivery of services (Section 7).

In Section 5, the limitations of the property tax base are outlined and proposals made for the reform of financial arrangements.

A format for joint planning at the regional/county level is proposed in which the community of participants can engage in research, planning, priority setting and program review, and by which municipal input to decision-making is secured and accountability enhanced (Section 6).

The role of municipalities as deliverers of social services is affirmed, questions of accessibility and municipal involvement in decision-making are reviewed, and the proposal made to expand the scope of the municipal role beyond current limitations defined by the type of service provided (Section 7).

Section 8 outlines a preferred model for the restructuring of arrangements which results from the earlier analysis. This model attempts to satisfy the objects of the Review, and overcome concerns which have become problematic for the municipal sector.

In essence, this model more clearly defines programs having province-wide significance, and assigns to them the requirements for full provincial funding and mandatory local application.

Similar clarity is provided to the municipal undertaking of all other provincial-municipal programs, assigning them the requirement of a fixed municipal share of funding and a fully discretionary municipal application.

Given the complexity of relationships between planning, funding and delivery, AMO recommends that this model be considered as a package for reform, and that the options set out in the Provincial-Municipal Social Services Review Discussion Paper be viewed on the basis of their conformity or lack thereof to it.

AMO appreciates the opportunity for early involvement in the Provincial-Municipal Social Services Review, and commits itself to continued co-operation in improvements to Ontario's social service system.

In this final regard, AMO looks forward to a further opportunity to provide Association comment on the resolution of these issues as ultimately determined by the province.

2. INTRODUCTION

In May, 1987, the Honourable John Sweeney, Minister of Community and Social Services, announced a joint provincial-municipal review of Ontario's social service system.

The Provincial-Municipal Social Services Review was given impetus as a result of discussions resulting from the October, 1985 AMO/Ministry of Community and Social Services Funding Arrangements Committee Report on the test integrated delivery of Family Benefits Allowances and General Welfare Assistance in selective Ontario municipalities.

In addition, it was evident that while specific remedies had been proposed for a variety of individual complexities of the social service system, these had been program-based, and undertaken without benefit of a broad perspective into the functioning of the system as a whole.

In short, there has been no comprehensive review of the performance of current social service arrangements in Ontario in recent years, and such an exercise is now both timely and prudent.

As is well documented in the Provincial-Municipal Social Services Review Discussion Paper, (1988) Ontario's system for the planning, funding and delivery of social services has taken on a significant degree of complexity which has occasioned some criticism and concern for rationalization.

The system is now characterized by:

- lack of a comprehensive, province-wide co-ordinated approach to the planning of social service needs;
- a complex and confusing set of cost-sharing ratios in federal-provincial and provincial-municipal undertakings, the current bases for which are unclear;
- overlap in the roles and responsibilities of service providers, resulting in a degree of fragmentation which inhibits efficient and co-ordinated service delivery; and
- rapidly increasing costs.

As a participant in the Provincial-Municipal Social Services Review, AMO acknowledges that all large organizations whose services are responsive to a highly diverse client base and an ever-evolving range of needs may develop such characteristics over time.

By the same token, AMO acknowledges the quality of the system as a whole, the current shortcomings of which are neither unexpected nor insurmountable.

The Association's perspective is that the municipal sector has now assumed an important role in the planning, funding and delivery of social services, and that the current review should be aimed at rationalized improvements to that role and to the continuing provincial-municipal partnership in general.

Finally, it is important to note the emergence of related provincial reviews which are underway and which may impact on the work of the Review Committee.

In particular, the Social Assistance Review Committee (July, 1986) study of social assistance programming is scheduled to provide its report this fall. The Agency Relations and Accountability Project (Spring 1987) examining administrative relationships between the Ministry of Community and Social Services and funded agencies and municipalities is scheduled to undertake expanded consultation this summer. The Health and Social Service Organization Review of the organization and responsibilities of Ontario Ministries and Offices in the health and social service fields is presently before Management Board.

AMO has provided its response to the first of these three, (Report 87-5, January 1987) and anticipates involvement in the latter two in support of the development of a co-ordinated response to these related undertakings.

2.1 Terms of Reference

The Provincial-Municipal Social Services Review Committee is not charged with a substantive review of social service programming.

Rather, its mandate is to produce recommendations on existing and future organizational and administrative arrangements affecting the provincial-municipal partnership in social services. In particular, its focus is on three elements:

. planning;
. funding;
. service delivery.

Its scope includes provincial and municipal programs in the following six areas, each of which has been the subject of review by a task group, and each of which is the subject of a range of proposed options for reform:

. income maintenance;
. child care;
. children's services;
. services for elderly persons;
. services for disabled persons;
. community support services.

The specific response of the Association to these proposals is contained in Section 9 of this report.

In the development of a new framework for provincial-municipal arrangements, the Committee is attempting to satisfy the following objectives:

. an understandable relationship between cost-sharing arrangements and decision-making authority;

. a balance in the benefits of local decision-making authority on the one hand, and the benefits of province-wide standards for accessibility and affordability on the other;

. simplified and flexible procedures for the administration of programs; and

. a joint mechanism for provincial-municipal program planning and development.

AMO supports this definition of the work of the Committee, and appreciates the opportunity for early and significant input in its determination.

2.2 Procedure

The Provincial-Municipal Social Services Review Committee has undertaken research and consultation appropriate to the complexity of its task.

A provincial-municipal financial data base has been developed; task groups having AMO representation have compiled program data and issues in each of the six program areas under review; and research is being undertaken into provincial-municipal arrangements in other jurisdictions within and outside of Canada.

Eleven public consultation meetings were undertaken during the period May 4 to June 24, 1988. The AMO response to the Review Committee Discussion Paper was first scheduled for submission by July 31, 1988, and the final Committee report is scheduled for year-end, 1988.

AMO has co-operated fully in these efforts, and anticipates a continuing opportunity for review and comment on the final Review Committee report.

3. BACKGROUND

3.1 Pressures on the Partnership

AMO has consistently viewed its relationship with the provincial government as that of a partnership in which the individual merits and abilities that characterize each level of government are employed so as to best capitalize on them, to provide efficient service delivery to a common public clientele, and to respect the independence of the respective jurisdictions.

In its broadest, across-the-board application, this partnership is characterized by a provincial responsibility for the development and funding of initiatives, and the municipal administration of same.

The former, in both conditional and unconditional formats, has resulted from access to broad, flexible and income-based sources of revenue and desires for province-wide consistency in access, opportunity and performance.

The latter, which is largely discretionary and highly variable in nature, represents an appreciation of local familiarity, ease of access and democratic accountability.

Nonetheless, this over-generalization of roles does not adequately represent current and emerging provincial-municipal arrangements, which are neither consistent nor subject to ready understanding.

In the areas of planning, funding and service delivery, there exists a complexity in responsibility consequent of several two-government and three-government funding arrangements; a wide range of providers including the province, upper and lower-tier municipalities, volunteers, associations, non-profit and for-profit agencies; and a multiplicity of purposes and client groups.

While this complexity can claim historical precedents, and particularly that of the early evolution of the municipal role in social services, AMO believes that Ontario has reached a stage where this level of complexity is too distant from a rational basis in principle, and where administrative efficiency and clarity are jeopardized.

In recent times, emerging trends in social and government policy have placed new pressures in the provincial-municipal partnership.

By way of example:

. While institutional-based care is both necessary and in demand, Ontario is in the midst of a gradual shift towards community-based care. Community-based facilities and services for discharged psychiatric patients, the elderly, the corrections sector, the developmentally handicapped and others all put additional cost and management pressures on local municipalities.

. Shifting demographic trends signal a similar local impact. The increasing number of elderly persons will surely tax local resources in the decade ahead.

. Provincial programming has itself evolved from a generic to an increasingly segmented

and often consumer-led model. New programs tailored specifically at single parent families, the disabled, the abused, and multicultural communities require additional resources and expertise at the municipal level.

. New program areas are being developed at a rapid pace, including public sector involvement in areas traditionally the domain of volunteers and charities, such as food banks.

. There is evidence of an increasing preference for the mandatory application of programming in pursuit of improved accessibility to or distribution of services, or standardization. This is apparent in debates affecting abortion services and child care.

Such a trend would further impact on local responsibilities.

. As the extent of provincial programming expands, there is an ever-increasing local sensitivity to the disparities between the provincial ability to generate and expend funds on social services, and the municipal ability to do the same.

In addition, there is increasing sensitivity to the limited involvement of the municipal sector in the prior determination of costs for which it may become partly liable.

. The expansion of provincial programming has similarly sharpened municipal attention to the very real limitations of the property tax as a revenue source for social service expenditures and a fiscal tool for income redistribution. Such attention now finds expression in proposals which would have the effect of either reducing programming; shifting all funding responsibility to the provincial realm; or devising a new municipal revenue base to replace the taxation of property.

. In addition, the sheer complexity of current arrangements add administrative weight and pressure, affecting budget procedures, human resources and work load in general.

AMO finds that these pressures add substantial momentum to a system already captive of great complexity and uncertain rationale.

The merits of their resolution are self-evident.

3.2 The Need for Reform

No attempt has been made to re-state the breadth of research and analysis already undertaken by the Review Committee in support of the need for reform.

The case is set out in the Discussion Paper and is compelling.

Instead, the following examples are cited in order to highlight concerns with planning, funding and delivery having particular significance to municipalities.

3.2.1 It is plausible that current provincial-municipal cost-sharing arrangements may have the effect of influencing the development of social planning. Cost factors may serve as an incentive to the employment of programs more richly funded by

the province than other programs.

In turn, those programs become a priority, relegating less richly-funded programs to a secondary status.

Since Family Benefits Allowances are totally funded by the province, and General Welfare Assistance is a mandatory cost-shared program for municipalities, it may be that municipal financial savings act as an incentive to hasten the transfer of recipients from the latter program to the former.

Revisions to the system should aim to remove the prospects for such incentives, in favour of social services being selected and provided primarily on the basis of need.

3.2.2 Elderly persons receive residential care and extended care in both Municipal and Charitable Homes for the Aged.

For those unable to afford the full cost of residential care, municipalities fund 30% of the residential care deficit in Municipal Homes, and 0% in Charitable Homes.

In the case of extended care, municipalities fund 30% of the costs in excess of provincial ceilings in Municipal Homes, and 0% in Charitable Homes.

This arrangement relates municipal expenditures to the type of home rather than the type of the service. This differs from practice in the field of income support, for example, where municipal expenditures are related primarily to the type of service (i.e. short-term, emergency).

It may be advisable to bring consistency to the bases for local funding of different social services.

3.2.3 In income support, municipalities pay 20% of the Supplementary Aid component provided to F.B.A. recipients, even for provincial recipients whose benefits are funded at 100% by the province.

Special Assistance, which is available to General Welfare recipients, is funded at 50% by municipalities.

Both programs provide funding for similar exceptional expenses, yet municipalities pay at differing levels, and actually assist in the funding of fully-funded provincial clients.

3.2.4 For certain programs administered by a municipality on behalf of the province, there is 0% net provincial funding for "shareable" administration costs incurred by municipalities. Instead, there is a 50% federal contribution, even though the program may be provincially-initiated.

Revisions to the system should more precisely require provincial contributions to

municipal administrative expenditures on programs initiated by the Province.

3.2.5 While assuming the role of a partner in the funding of cost-shared provincial-municipal programs for social assistance, municipalities do not, as a rule, have formal input into provincial rate or policy changes which affect municipal expenditures.

Revision should attempt to improve the relationship between municipal expenditure and decision-making authority.

3.2.6 In the area of children's services, municipalities are required to fund 20% of the cost of Children's Aid Societies, 0% of the cost of Child Welfare Services to native children, 50% of Child Welfare Grants and 0% of Child Treatment Services.

This degree of complexity not only increases the municipal administrative burden, it may now have outlived its usefulness.

In the case of Children's Aid Societies, a C.A.S. request for funding beyond a municipally and provincially-approved budget may result in a Ministry (COMSOC) decision to assign additional funds to the base budget, 20% of which is assumed by the municipality.

Further, municipalities do not share in a budget surplus of a C.A.S. They do, however, share in budget deficits.

3.2.7 The municipal contributions to capital expenditures in social services do not appear to be founded on a readily understandable basis.

In the field of care for the elderly, municipalities contribute 50% to Homes for the Aged and a minimum of 20% to Elderly Persons Centres.

In the field of children's services, municipalities contribute 50% to child care centres and at a variable rate to Children's Aid Societies.

These individual examples represent some of the historical concerns raised by municipal representatives.

The current task is to provide the theoretical and principled underpinnings which will permit a rationalization of their combined complexity.

3.3 Previous AMO Input

AMO appreciates the complexity of the work of the Review Committee, and the need to establish broad principles upon which a revised framework for the planning, funding and delivery of social services can be founded.

AMO's response to the Review Committee Discussion Paper is similarly based on

principles and directions established by the Association and set out in past submissions to the Government of Ontario.

Recent submissions which are relevant to the Provincial-Municipal Social Services Review are encapsulated below.

3.3.1 AMO Submission to Cabinet, March, 1988 - Report 88-4

The Association indicated its concerns regarding the increasing involvement of municipalities in community-based services, citing the cumulative impact on municipal government of the individual initiatives of many Ministries.

AMO restated its concern for the expansion of conditional grant programs and an unresponsive revenue base in light of increasing social service obligations resulting from initiatives such as the "spouse in the house" ruling. (G.W.A.)

AMO noted that "unless the government is willing to seriously address municipal revenue sources, the role of municipal government in social service delivery must remain restricted" (p. 19).

3.3.2 AMO Provincial Budget Submission, February, 1988 - Report 88-3

AMO noted; "the limited property tax base cannot and should not be relied upon to finance an increasingly greater proportion of an ever expanding social services system, particularly when it is already supporting the provincial education system beyond the intended levels ... The principle municipal sources of revenue are the regressive property tax and provincial transfers. The province has access to a far broader range of revenue sources ... As such, the provincial government is far better placed to assume a greater proportion of the cost of funding social services" (p. 10).

AMO recommended that income maintenance, child care capital and direct grants, and education all be funded at 100% by the province, and that the province should assume a greater proportion of child care subsidies.

3.3.3 AMO Preliminary Response to New Directions for Child Care, February, 1988- Report 88-2

AMO broadly supported initiatives to expand the supply and improve the accessibility of child care.

AMO recommended that capital grants for municipal child care centres and direct grants be funded 100% by the province; that municipal participation in child care be encouraged but remain discretionary; and that the provincial government assume a greater proportion of the cost of child care subsidies.

3.3.4 AMO Report on One-Stop Access

This report is currently under review by AMO. Nonetheless, the emerging AMO response involves support for the government's intent to co-ordinate the delivery of services to seniors, and provincial responsibility for the delivery and funding of community-based programs for seniors; and that municipalities have the option to serve as a delivery agent for such services in a full-cost recovery basis.

3.3.5 AMO Submission to the Standing Committee on Finance and Economic Affairs, 1987

AMO recommended that the provincial government significantly increase funding to social service programs; and that the government improve the cost-sharing arrangements for General Welfare Assistance by expanding the administration component.

3.3.6 AMO Report to the Social Assistance Review Committee, January, 1987 - Report 87-5

AMO proposed that there be a single income maintenance delivery system which would integrate F.B.A. and G.W.A. caseloads; that municipalities be the delivery agent for this single system; and that the province accept full responsibility for all costs related to the administration and delivery of the system.

3.3.7 AMO Resolutions: Children's Services

(i) Res. HSS-8, 1985:

AMO resolved that Ontario eliminate the transfer of the cost of family and children's services for municipalities.

(ii) Res. HSS-7, HSS-30, 1985/86:

AMO resolved that Children's Aid Societies be required to gain prior municipal approval for programs which impact on the municipality; that they become more accountable to local government; and that they undertake earlier pre-budget discussions with municipalities.

(iii) April, 1986:

AMO resolved that Children's Services Co-ordinating and Advisory Groups be introduced in those municipalities where they are requested by Council, and that there be an evaluation after three years.

(iv) Res. HSS-25, 1986:

AMO resolved that the Ministry of Community and Social Services provide 100% funding for services for handicapped children under five years of age.

3.3.8 AMO Resolution: Disabled Persons

(i) Res. HSS-5, 1983:

AMO resolved that the province assume all costs from its deinstitutionalization program and ensure no additional burden on the local tax base.

The implications which can be drawn from this selective history are explored in later sections of this report.

Nonetheless, it is evident that the municipal preference in reforming Ontario's social service system rests on four tenets for change:

* that the Government of Ontario assume a greater responsibility in the funding of social services;

* that Ontario municipalities maintain an active role in the local delivery of and administration of services;

* that municipal discretion be maintained as a feature of the system; and

* that a reduced reliance be placed on the property tax as a source of revenue.

4. THE MUNICIPAL ROLE IN SOCIAL SERVICES

4.1 Heritage

Ontario's municipalities have a proud heritage in the development and delivery of social services.

In the mid-to-late nineteenth century, municipalities, charities and religious organizations were the main players in the funding and delivery of social services.

This municipal authority had its basis in the acceptance by Upper Canada of the English poor law tradition.

As a rule, most municipal services were directed at the indigent; orphaned or abandoned children; the mentally ill; and the frail elderly. By the turn of the century, municipalities remained the primary planners, funders and deliverers of social services.

The evolution of intergovernmental arrangements over this century has been characterized a number of developments:

4.1.1 Increased provincial involvement, frequently at municipal request, in the form of program development, cost-sharing, planning and delivery of social services.

4.1.2 Major federal involvement, such as the Unemployment Insurance Act; (1940) the Canada Pension Plan; (1965) and the Canada Assistance Plan (1966).

4.1.3 A continuing expansion of the social service client base, and specialization in client-based programming.

4.1.4 Efforts to advance universality in programming and access, such as O.H.I.P. (1966).

4.1.5 An attitudinal shift away from a remedial welfare orientation in favour of an interventionist community services model having a basis in income-redistribution.

4.1.6 A movement away from institutional care and service in favour of community-based delivery.

These changes have fundamentally transformed the municipal role.

While new and useful policy, program and advocacy efforts are occasionally initiated by municipalities, the primacy, influence and decision-making authority of the municipal sector in Ontario has been significantly reduced since the 1930's.

Paradoxically, however, this overall reduction in authority has not been accompanied by a reduction in activity. As the system itself has expanded, so too has the level of municipal activity.

It is the nature of this activity which has changed and which forms the basis for current municipal concerns.

AMO believes that two additional conclusions are noteworthy:

First, the increased requirements for municipal participation have not been accompanied by commensurate increases in municipal decision-making or formalized planning authority in provincial-municipal programming.

Second, while unconditional grants and adjustment mechanisms are intended to equalize resources across the municipal sector, there has been no fundamental change to the municipal revenue base which would permit more flexible local revenue generation in response to provincially-initiated programs.

The resolution of this current imbalance between flexible service demands and an inflexible revenue base remains a primary controlling factor in the evolution of the municipal role in social services.

4.2 Characteristic Municipal Strengths

The characteristics of practice and procedure which commend municipal government involvement in public life in Ontario are well understood.

At issue is the extent to which positive local assets are employed and capitalized in the social service field, and the extent to which municipal aspirations favouring autonomy, accountability, fiscal stability, responsiveness, high quality service and other such traits are realized in the provincial-municipal partnership.

The Association acknowledges and supports the benefits of centralized planning and funding of social services by the federal and provincial governments. Such centralized activities are essential in the pursuit of enhance accessibility, standardization of service, consistency in regulation and control of province-wide expenditures, as appropriate.

The municipal sector, on the other hand, by virtue of its proximity to localized interests, its accessibility, its response times, its flexibility to individual and small group needs, and even its absence of organized political partisanship, is best suited to those intergovernmental functions which capitalize on these assets.

AMO believes that these ideally include:

- the delivery of service either directly or by contractual arrangement;
- the planning for local needs and a complementary input into province-wide planning;
- the seeking of public input into the local application of provincial and provincial-municipal initiatives;
- the administration of programming;
- the funding of services which have a logical relation to the source and characteristics of the municipal revenue base.

AMO further supports a high level of autonomous decision-making and values a discretionary role in the undertaking of these tasks.

5. MUNICIPAL FINANCING OF SOCIAL SERVICES

5.1 Current

During the three year period 1986/87 to 1988/89, expenditures on provincial-municipal programs are expected to increase by 35.8%, from $1.4 billion to $1.9 billion.

The municipal share will have increased by 32.0%, from $309 million to approximately $408 million.

In 1986, the municipal share of expenditures on these cost-shared programs was $286.7 million, or 22.1% of the total. The provincial share was $392 million or 30.2%; the remainder (47.7%) being contributed by the federal government through programs such as the Canada Assistance Plan and Established Program Financing.

When grants and municipal non-shared administrative costs are added, the municipal share rises to $319 million, or 24.0% of the total.

This means for every net provincial dollar spent, municipalities spend 81 cents.

The lion's share of this shared expenditure is in General Welfare Assistance, (45%) followed by child care, (17.7%) Homes for the Aged, (16.9%) Children's Aid Societies, (14.2%) Community Support, (4.4%) Elderly Persons Centres, (1.0%) and Homemakers and Nurses Services (0.8%).

The proportion of municipal social service expenditures in relation to all municipal expenditures has been increasing steadily since 1977, (13.5%) and represented 17.0% of all municipal expenditures in 1986.

During this same period, (1977-1986) municipal expenditures on social services have been increasing at a faster rate that total municipal expenditures. During this period, social service expenditures increased by 196%, from $515,651 to $1,526,871, while total municipal operating expenditures increased by 134%.

As has been noted, municipal expenditures in social services also involve capital funding for Municipal Homes for the Aged ($15,132,107; 1986) Elderly Persons Centres, ($3,123,008; 1986) Children's Aid Societies and Child Care, ($96,522; 1986 municipal programs). In addition, municipalities incur administrative costs, both shareable and non-shareable ($42,719,571; 1986).

5.2 Limitations of the Revenue Base

The great majority of municipal revenues are derived from provincial transfers, both conditional and unconditional, and the property tax.

Of these two sources, the property tax is the revenue source over which municipalities can exercise a limited form of fiscal management in the form of mill rate setting, - the control over the determination of market values for assessable property having been assumed by the Province of Ontario in 1970.

On the other hand, $6 out of ever $10 of estimated provincial revenue is derived from three progressive and flexible sources: the personal income tax, corporate taxes and the retail sales tax (1986/87).

Transfer payments from the federal government account for 15% of provincial revenues; with Established Program Financing and the Canada Assistance Plan making up 56 and 26 percent of that amount, respectively.

It is understood that two schools of thought accompany discussion of the historical merits of municipal expenditures on social services from a property tax base. The first cites the historical precedent of the 19th century by which municipalities contributed revenues and still do. The second cites a more recent interpretation which relates expenditures to those items having a direct relationship to the use of real property.

Resolution of these different interpretations is not necessary in the current context.

What is necessary is judgement as to the merits of the continued reliance on the taxation of property as a fair, equitable and responsive means of generating revenues for social service purposes.

AMO has been consistent in its opposition to the expanding claim of social services (and education) on the property tax base.

Furthermore, AMO has considered the capping of the current level of municipal expenditure on social services as a condition of any restructuring of provincial-municipal arrangements that does not involve a remedy to the limitation of the property tax as a source for revenues for social service expenditures.

The tax is seen to be inflexible to changing needs; it is unresponsive to increased demands during periods of declining economic performance; it is insensitive to the generation of income; it does not relate predictably to an ability to pay, often requiring proportionally greater demands on the less wealthy municipalities than on the wealthy; and it is surely unresponsive to community needs in the case of single-industry towns.

Most telling, perhaps, is the current requirement that the property tax - which is poorly related to the generation of personal income - be employed in support of programs aimed at the redistribution of income.

It is submitted that while a tax on property may have historically represented a fair measure of one's wealth, this is no longer the dominant case. Other sources of revenue generated locally remain in the domain of the provincial and federal governments, with whom substantial control over the funding of social services ultimately rests.

Three options for reform present themselves:

First, provincial-municipal expenditures on social services could be reduced in order to lessen the burden on the property taxpayer. This is a blunt and undesirable approach in light of social needs and public obligations.

Second, a new and income-responsive revenue base could be developed to replace the property tax. In practical terms, it is unlikely that control over income-based revenue would be assigned, even in part, to the municipal sector.

Furthermore, AMO submits that such a shift would likely be accompanied by senior government requirements which would have the effect of significantly undermining municipal autonomy and local control over local decision-making.

Third, funding responsibility could be shifted off the property tax base and into the provincial realm where access to income-based revenue lies.

This option is supported by the Association, and could have application in three distinct areas:

. a new list of defined "core provincial programs" which are deemed by the province to meet the requirements of province-wide access or affordability; improved province-wide distribution, standardization in delivery or regulation; or other factors which have province-wide significance;

. administrative costs incurred by municipalities in the undertaking of provincial-municipal programs; and

. capital costs in "core provincial program" areas.

These elements are detailed in the following sections.

5.3 Social Programming of Provincial Significance

AMO is familiar with a variety of economic/administrative models which could be employed to transfer more of the funding responsibility for social service programs to the Province.

By way of example, an unconditional sum representing property tax revenues otherwise spent on social services by a municipality could be provided by the province to the municipality for employment as it saw fit.

(Lost in such a proposal is the ability to determine any mandatory programming).

Any model should have the effect of reducing the pressure of social service expenditures on the property tax; providing simplicity and clarity in funding arrangements; and stability in the funding itself.

AMO submits that a thorough re-thinking of those areas of social service appropriate to the exclusive provincial jurisdiction is now prudent.

Provincial-municipal cost-shared programs now constitute a minority of all social service programs, and it is desirable that there be a clear basis for the determination of an exclusive provincial jurisdiction, such as:

. the provision of basic human needs;

. assurance of accessibility or affordability on a province-wide basis;

. the redistribution of income or the regional distribution of a service; or

. the standardization of service or performance.

AMO strongly urges the Review Committee to consider the inclusion of existing cost-shared programs which meet the above-noted criteria in the provincial realm, and to provide them with 100% provincial funding.

AMO recommends that the following program areas now be considered as "core provincial programs":

. all social service programs which are currently funded at 100% by the province;

. G.W.A./F.B.A. income support, (and all related income programs), in a single, integrated system funded at 100% by the province;

. child welfare and children's service programs, funded at 100% by the province; and

. services for elderly persons, funded at 100% by the province.

At a minimum, these areas appear to fall within the above-noted criteria for exclusive provincial jurisdiction. In order that these programs meet their province-wide objectives, their application would be mandatory within the parameters of provincial objectives and guidelines. (For clarity, such guidelines may require mandatory application in a certain category of municipality, and need not necessarily apply to all municipalities.)

The Review Committee may wish to consider the inclusion of child care as a "core provincial program" area. Such a decision by the province would satisfy the efforts of some to improve both the accessibility and affordability of child care province-wide, and it would similarly advance the promotion of child care as a universally-accessible service.

This program/area list would represent the core of provincial initiatives which satisfy the above-noted criteria. In order to assure provincial responsibility for funding in these areas, AMO does not support the empowering of municipalities to "top up" provincial expenditures in these areas.

The Association supports the principle of a municipal contribution to the operating costs of non-core programs, in that such contributions assist in the achievement of fiscal responsibility and judicious local administration. However, the complexity of current cost-sharing arrangements is both administratively cumbersome and beyond ready understanding.

Accordingly, AMO recommends that all non-core provincial programs operated by municipalities be subject to cost-sharing, and, in the interest of simplicity and clarity, that the municipal share be set at a fixed percentage to be determined in negotiation with the province.

Consistent with previous AMO input on the value of discretionary programming at the municipal level, all non- "core provincial programs" which would be operated by municipalities would remain discretionary to them.

One substantial benefit of this municipal discretion is that municipalities administering "core provincial programs" and no others would have effectively removed social services expenditures from the property tax base. Henceforth, only discretionary programs would rely on property tax revenues, subject to municipal determination.

The municipal role proposed for the planning of such non-core programs is set out in Section 6.2.

5.4 Municipal Administration Costs

There currently exists a curious definition of municipal administration costs which, generally speaking, are either cost-shared with the federal government or the sole responsibility of the municipality. (Ontario maintains responsibility for the funding of staff training {30% net} and Ministry mandatory forms {100% net}).

Cost-shared administration costs are categorized under the Canada Assistance Plan, and are subject to 50% cost-sharing.

Under General Welfare Assistance, items which are "shareable" through the Canada Assistance Pan are:

. staff salaries, benefits and travel;
. audit and accounting costs;
. legal costs;
. computer costs;
. research and consultation costs.

Those not "shareable" include:

. bank charges and interest;
. insurance;
. accommodation costs and leasing of office equipment;
. stationery and office supplies;
. telephone/communications;
. postage and delivery services;
. honoraria.

The current arrangements are an issue of major concern to the Association. In 1986, these shared costs under the General Welfare Assistance Act amounted to $42.7 million. Non-shared total municipal costs amounted to $17.5 million. Telephone costs alone totalled $1.9 million.

At the root of this concern are the following:

. costs necessary for the proper administration of provincial programs are funded by municipalities.

. the rationale for cost-sharing is unclear: for example, computer costs for mailing purposes are subsidized, while postage costs are not.

. the full municipal funding of office accommodation and telephone services is illogical

and a burden to the delivery of social services in remote areas.

AMO recommends that all administrative costs incurred by municipalities in the delivery of core provincial programs be funded at 100% by the province; and that administrative costs incurred by municipalities in the delivery of non-core programs be funded at the same fixed provincial-municipal shares as the fixed operating cost share formula.

The provincial government would retain proper control over expenditures though its determination of expenditure ceilings.

5.5 Capital Costs

Contributions by municipalities to capital costs are focussed in the program areas of services for elderly persons and child care.

In 1986, capital costs borne by the municipal sector were as follows:

	Cost	%	Number (86/87)
Municipal Homes for the Aged	$15,132,107	50	89
Elderly Persons Centres	$ 3,123,008	20 (min.)	153
Municipal Child Care Programs	$ 96,522	50	12,332*

* (municipally direct-operated, group care)

AMO is concerned that the inappropriateness of the property tax base as a tool of revenue generation for social services applies to capital as well as operating expenditures.

Nonetheless, there is at least some relationship between revenues derived from taxation on property and expenditures on property improvement. Accordingly, a municipal role in capital expenditure can be supported in those "non-core provincial program" areas which remain discretionary to the municipality.

AMO recommends that municipalities continue to provide capital funding for social service facilities, but only in non-core provincial program areas which remain discretionary to them. All capital requirements in core provincial program areas would be assigned to the province, including municipal homes for the aged and elderly persons centres.

As has been previously noted, the presence of varying rates for municipal contributions to capital costs may have the unintended effect of providing an incentive for the employment of one program over another. It is desirable that consideration be given to the development of a fixed capital share across all non-core provincial program areas.

The Association has previously recommended that capital grants for municipal child care centres be funded at 100% by the province (see 3.3.3). Should child care assume the status of a "core provincial program", 100% provincial capital funding should similarly be available.

6. MUNICIPAL PLANNING OF SOCIAL SERVICES

6.1 Current

The Review Committee Discussion Paper has properly identified a series of areas for improvement in the arrangements for provincial and municipal planning for social service assessment and delivery. In particular:

. The efforts of a wide variety of planning agencies remain largely unco-ordinated, at both provincial and municipal levels.

. The undertaking of social planning is uneven across the province, and occupies a low-profile role even in large urban municipalities.

. There is no formal link between the planning for services and the planning of facilities for those services, which impacts on the municipal sector.

. There is a need to determine a focus in the direction of service delivery, on either a generic basis, a segmented basis, or a combination of both.

To these AMO adds the following concerns:

. There is no consistent model for the undertaking of the social planning function at the municipal level. The involvement by different planning/advisory bodies is uneven, including Council Committees, Social Planning Councils, Children's Service Co-ordinating and Advisory Groups, Ministry Area Offices, (M.C.S.S.) special advisory bodies, service providers, associations, professionals and volunteer agencies.

  Uneven involvement results in an uneven format for the consideration of planning issues and lessened prospects for efficiency.

. As partners in the planning of provincial-municipal programs, municipalities do not, as a rule, participate in the decision-making processes of the provincial government, although policy, program or rate changes may result in costs for which municipalities may be liable.

. There is no single, comprehensive documented plan for the delivery of social services on a province-wide scale.

The planning role is critical to the resolution of related funding and service delivery issues, and the Association submits that a meaningful role for the municipal sector and all other bodies with planning interests now demands that a formal model for local planning be put in place.

Such a model should carry the benefits of the centralized determination of local priorities; the co-ordination of delivery efforts; the undertaking of community-wide research; the means to recommend the expansion, reduction or even elimination of programs; a central point of access for the entire sector, and administrative efficiency.

6.2 The Planning Model

AMO has considered a variety of structural options for the creation of a planning mechanism which meets the requirements set out above, including the following:

. a Committee of Council, with or without Advisory Groups reporting to it;

. the Ministry of Community and Social Services Area Offices;

. a special purpose body; provincial, municipal or both;

. a model similar to the District Health Council.

Initially, AMO submits that a body having a provincial jurisdiction is unacceptable in that it clearly fails to meet the above-noted criteria. Furthermore, an exclusive provincial jurisdiction in social services planning would fail to meet any requirement for local accountability.

Secondly, AMO does not support the creation of a special purpose body for the purpose of planning. In its 1980 report on Special Purpose Board and Commissions, AMO made recommendations in support of a direct form of accountability between elected representatives and taxpayers. Furthermore, it is suggested that Social Planning Councils, which have, as a rule, operated as non-government funded special purpose bodies having an advocacy and planning function - have proven to be of uneven merit across the municipal sector.

AMO has considered a model for social service planning based on the District Health Council model. While there is some organizational merit in this option, AMO does not support it.

The District Health Council model has not been satisfactory in meeting standards of accountability, nor in achieving effective co-ordination in the planning of service delivery. Further, this model is viewed by some as a barrier to direct accountability at the provincial level.

AMO continues to favour the undertaking of the local planning function through the municipal council and committee system, and on a regional/county basis.

It is important to note that planning for the delivery of social services currently takes place in a variety of forums.

The apparent difficulty is the extent of the diffusion of these efforts which, while individually useful, do not receive the benefits of a centralized format for planning.

The Association submits that the province has a critical role to play in the resolution of this matter. In particular, the province should continue to provide overall objectives and service plans in program areas in order to give expression to provincial interests and to secure a degree of control consequent of its financial obligations.

Nonetheless, a collected set of objectives and service plans fails to properly meet the community-based requirements of what is commonly referred to as social planning. That is, a need continues to exist for an overall conceptual community plan which represents the fit between community needs and community services.

AMO supports the development of such a community plan for social service delivery, and supports further the vesting of responsibility for such a plan in the hands of the municipal council.

AMO submits that such a planning exercise is of exceptional value, and overdue. Accordingly, AMO further supports the mandatory undertaking of such plans - referred to herein as "social development plans" - the most ready parallel to which might be the land-use based "official plan" prescribed under the Planning Act.

It is appropriate, therefore, that the province expand its planning function to include:

. the establishment of a process, criteria and guidelines for the creation of "social development plans" by municipalities;

. determination as to the means to afford such "social development plans" a mandatory status;

. resolution of the legal effect of such plans, as well as issues of notice, amendment and appeal; and

. legislation to these ends.

As has been noted, AMO supports the Council or its delegated committee as the proper forum for the exercise of local planning.

AMO recommends that the following powers and duties would assign to Council:

6.2.1 the responsibility for the preparation and maintenance of a "social development plan(s)" for the municipality;

6.2.2 decisions as to the funding of the municipal share of discretionary non "core provincial programs", based upon the social development plan;

6.2.3 community-based research, program review, priority-setting and advocacy;

6.2.4 the monitoring of core provincial programs; and

6.2.5 the provision of a focus for communication by all providers, including the voluntary sector.

At the root of this planning proposal is:

. the need to prepare an understood framework within which individual aspirations can be considered and proposals for social service can be judged;

. the need to proceed to a point where planning for the entire social service sector is a normalized municipal undertaking; and

. the need to develop a means to address community-wide questions of system costs.

Given the mutual benefits that flow from such a planning process, AMO recommends that the development and maintenance of social development plans be cost-shared on a fixed percentage basis to be negotiated between the province and the municipal sector.

This proposal respects local municipal planning authority within the scope of broad provincial planning, and provides a formal, and mandated forum for planning by representatives of all sectors, including provincial staff.

In addition:

. it provides a centralized forum for the widest variety of local agencies;

. it provides a remedy to the current absence of formal municipal input;

. it permits local sensitivity to local needs;

. it permits identification and resolution of program overlap or deficiencies;

. it fosters co-ordinated planning and co-ordinated service delivery;

. it serves as a centralized point for data, research and community information;

. it permits an improved level of agency accountability to the municipality as a funder, and an improved level of municipal accountability to the public;

. it offers the useful prospects of continuous dialogue, the development of administrative efficiencies, and fiscal management and cost control.

As a final matter, the Association has given consideration to the merits of the development of an overall plan for the delivery of social services on a province-wide basis.

AMO recommends that the province produce its own broad social service plan in order to clearly identify province-wide interests and priorities, and that a mechanism be developed to require the general conformity of local social development plans to it.

7. MUNICIPAL DELIVERY OF SOCIAL SERVICES

7.1 Current

The Review Committee faces a variety of performance-related questions having to do with the delivery of social services, including:

. duplication or overlap among Ministries and among providers;

. the merits of pooled resources for the co-ordination of delivery; and

. the merits of generic-based and specialized approaches to delivery.

These are important questions which fall primarily in the provincial domain.

From a municipal perspective, there are four issues which have particular relevance to the Association.

By way of background, it is important to note that the variety of service providers in Ontario, including municipalities, provides the system with the benefits of differing perspectives, specialized services for specialized needs, and a relatively wide degree of choice for the consumer.

AMO supports this diversity as an element of strength in the system, and views the municipal sector as one delivery agent among many in a system of community-based delivery.

Second, it is clear that decisions need be made on the merits of direct municipal delivery, contracted municipal delivery, or non-municipal agency delivery on a program-by-program basis.

AMO submits that these matters should be left to individual determination, and be routinely the subject of consideration by the council/committee having the social services planning function referred to in Section 6.

Third, AMO continues to support the development of provincial service plans to assist in guiding the delivery of social services, and in establishing a framework for municipal decision-making in service delivery.

7.2 The Historical Basis for Municipal Delivery

By tradition and historical precedent, municipalities have been involved in the delivery of services defined as either of an emergency or short-term nature in the field of income support. The responsibility for long-term assistance has resided with the federal and provincial governments.

AMO submits that this distinction may now be of limited use in defining clientele for a wide range of programming for whom municipal delivery may be useful.

Municipalities now provide a modest degree of funding for long-term care in any event, including funding a component (20%) of the extended care deficit in Municipal Homes for the Aged, and a component (20%) of Supplementary Aid for F.B.A. clients.

AMO supports the municipal role as one of a variety of agents for the delivery of social services, and recommends that this role not be limited on the basis of the short-term nature of the service provided.

Accordingly, AMO recommends that municipalities act as potential delivery agents for:

(i) mandatory "core provincial programs" (Section 5.3) subject to 100% provincial funding of operating and administrative costs; and

(ii) discretionary non-core provincial-municipal programs, having a fixed municipal operating and administrative cost component.

7.3 Accessibility to Services

AMO supports improved access to social services, and submits that those programs for which province-wide access is a significant concern should be defined as "core provincial programs", funded at 100% by the province and administered at 0% net cost to municipalities.

Furthermore, AMO recommends that standards for accessibility be set out in guidelines for each "core provincial program", and that these be the subject of community consultation.

AMO accepts that such "core provincial programs" need be mandatory in their application in order to succeed in their objects.

However, it is appropriate that all non-core programs remain discretionary. In the balancing of the needs of province-wide access and local autonomy, AMO recommends that municipalities be empowered to exercise their judgement in any decision to adopt non-core programs for which they are the delivery agent.

Furthermore, a mechanism exists for the transfer of a provincial-municipal program from a discretionary to mandatory status, - thereby ensuring its accessibility - that being the provincial definition of such a program as a fully-funded "core provincial program".

7.4 Improved Planning of Service

It has been recommended herein that mandatory social planning be undertaken by municipal councils or their delegated committee in appropriate regions/counties of the province.

AMO believes that such a formalized mechanism will greatly assist in the current need to improve the planning and co-ordination of the local delivery of social services.

AMO further believes that such a mechanism will greatly improve the relationships between local and provincial planning.

7.5 Funding, Decision-Making and Service Delivery

As has been outlined, municipalities do not enjoy a formalized process for input into provincial policy, program and rate-setting decisions for which they may be partially liable.

This default affects service delivery, and the planning for such delivery as well.

Initially, AMO supports the proposition that financial contributions to provincial-municipal programs should guarantee the municipal sector such input.

It has been recommended herein that municipalities continue to fund a fixed share of all non-core provincial programs that they employ and deliver at their discretion; a fixed share of the planning functions of regional/county councils; and a share of capital expenditures in non-core program areas.

Beyond that, AMO strongly urges the committee to accept the measurement of the legitimacy of the provincial-municipal partnership on grounds other than financing.

The delivery of service alone should justify full participatory input, as should the existence of municipal expertise and experience in delivery.

AMO views the formal involvement of municipalities in the decision-making processes affecting service delivery, planning and policy as essential, and of significant benefit to provincial interests.

AMO recommends that municipal input to provincial decision-making in program, policy and rate-setting be formalized in consultation with the municipal sector and AMO, and that such input not be limited by reason of the absence of municipal cost-sharing in core provincial program areas.

8. THE PREFERRED MODEL

Careful consideration has been given to the balancing of the many objectives of Ontario's system for the planning, funding and delivery of social services, and to the aspirations of its municipal partners and other participants.

As has been noted, Ontario municipalities assume a significant role in these undertakings.

AMO believes that the liabilities of the current arrangements can be overcome, and that rationalized improvements can be made to the municipal role and to the continuing provincial-municipal partnership.

In that light, the following highlight the preferred restructuring.

(i) All provincial-municipal social service programs would fall into one of two categories: "core provincial programs" and non-core programs.

(ii) A new set of "core provincial programs" should be defined, based upon province-wide aspirations for basic service, access, affordability, standardization, distribution, or performance.

(iii) Each such program would be mandatory, subject to provincial guidelines to satisfy the provincial significance, funded at 100% by the province, and administered by municipalities or other providers.

(iv) "Core provincial programs" should include:

- all current social service programs funded 100% by the province;
- a single integrated F.B.A./G.W.A. program for income support, and all related income support initiatives;
- child welfare and children's services;
- services for elderly persons;
- and that consideration be given to the eventual inclusion of child care.

(v) All other non-core provincial-municipal cost-shared programs would be discretionary to the municipality, and funded at a single fixed rate to be determined in negotiation with the province.

(vi) All administrative costs incurred by municipalities in the delivery of "core provincial programs" would be funded at 100% by the province; all administrative costs incurred by municipalities in the delivery of non-core provincial programs would be funded at the same single, fixed rate as the fixed operating cost share formula.

(vii) The local planning function would be undertaken on a regional/county basis by the council responsible for social service delivery or a delegated committee of council.

(viii) Council would be responsible for engaging all participants in a process of local planning, priority-setting and program review. Its funding would include fixed municipal and provincial components to be determined in negotiation.

(ix) Council would have a mandatory responsibility for the preparation and maintenance of a community "social development plan", which would have a mandatory status under provincial legislation.

(x) The province would assume responsibility for the development of its own Ontario-wide social service plan, and for the further development of program objectives and service plans in satisfaction of its own interest.

(xi) Municipalities would cease to contribute to capital costs in "core provincial program" areas.

This preferred model carries with it the following benefits, many of which are intended to overcome the perceived weaknesses in current arrangements:

(a) A balance in province-wide aspirations for access and affordability on one hand and local authority on the other.

(b) An understandable relationship between cost-sharing and decision-making.

(c) The opportunity to achieve the province-wide application of programming; and the opportunity to achieve flexibility in meeting local needs.

(d) Improvement in the simplicity of cost-sharing arrangements by use of a fixed formula for operating expenditures.

(e) The elimination of difficulties associated with shareable and non-shareable municipal administrative costs.

(f) A continued reliance on the property tax base, but only at local discretion by the adoption of non-core programs. Municipalities administering only "core provincial programs" will have no further reliance on the property tax base for social services.

(g) Formal municipal responsibility for the planning of service delivery, with assured elected municipal representation.

(h) An opportunity for joint local efforts to improve the co-ordination of service delivery, the identification of future needs, public dialogue, and financial control.

The following Section (9) provides an encapsulated review of the options accompanying each of the six program areas set out in the Discussion Paper.

The Association response to these is brief, and represents only the extent to which they meet with previous AMO resolutions and, more directly, the preferred model set out in this Section.

9. PROVINCIAL-MUNICIPAL SOCIAL SERVICES REVIEW PROGRAM AREAS

The Discussion Paper outlines a variety of options for each of the six program areas under review which would affect the planning, funding and delivery arrangements currently in place.

Generally speaking, these options represent scenarios involving a status quo, an increased provincial role, an increased municipal role, and combinations thereof.

As has been noted in Section 8, the Association response to all of these options can be determined by their fit with the preferred model proposed by the Association.

Accordingly, the following notations are provided.

9.1 Income Maintenance

Option 3 involving municipal delivery of all income maintenance and related programs, and 100% provincial funding most closely approximates the preferred model, but fails to provide for provincial funding of administrative costs.

9.2 Child Care

Option 2 involving enriched provincial cost-sharing for operating and capital costs most closely approximates the preferred model, subject to the determination of child care as a "core provincial program".

9.3 Children's Services

Option 4 involving 100% provincial funding approximates the preferred model, subject to improved accountability by Children's Aid Societies and, in turn, subject to a determination of children's services as a "core provincial program".

9.4 Services for Elderly Persons

Option 2 most closely approximates the preferred model, subject to the determination of services for elderly persons as a "core provincial program".

9.5 Services for Disabled Persons

Option 3 involving municipal discretion and an improved role in planning most closely approximates the preferred model.

9.6 Community Support Services

Option 3 involving discretionary municipal involvement approximates the preferred model, although it is noted that AMO has not provided formal comment on a number of individual programs falling within this general category.

10. CONCLUSION

AMO recognizes the undertakings of the Provincial Municipal Social Services Review are complex, involving inter-relationships in the planning, funding and delivery functions of Ontario's system of social services.

The Association has attempted to step back from the detailed shortcomings of this system in order to propose a restructured format which will satisfy the objectives of the Review and provide for a rationalized and meaningful role for the municipal sector, and a clarified partnership with the provincial government.

In so doing, AMO adopts as a first principle the provision of a high quality, efficient, accessible and accountable system of social services on behalf of the people of Ontario.

AMO commits itself to the continuing review of these matters in order to achieve that result.

11. SUMMARY OF RECOMMENDATIONS

Section 5 - Municipal Financing of Social Services

11.1 It is recommended that, to the extent possible, funding for social service purposes be shifted off of the property tax base and into the provincial realm where access to income-based revenues lies.

11.2 It is recommended that a clear basis for the determination of an exclusive provincial jurisdiction in social services be established, including:

- the provision of basic human needs;
- assurance of accessibility or affordability on a province-wide basis;
- the redistribution of income or the regional distribution of services;
- the standardization of service or performance.

11.3 It is recommended that social services meeting these criteria be defined as "core provincial programs", and that they be funded at 100% by the province.

11.4 It is recommended that such "core provincial programs" include:

- all current social service programs funded 100% by the province;
- G.W.A./F.B.A. income support and all related income programs, in a single integrated system;
- child welfare and children's services;
- services for elderly persons.

And that consideration be give to the eventual inclusion of child care as a "core provincial program".

11.5 It is recommended that all "core provincial programs" be mandatory in pursuit of province-wide objects.

11.6 It is recommended that all non-core programs operated by municipalities be discretionary, and be subject to a fixed municipal operating cost-sharing formula to be determined in negotiation with the province.

11.7 It is recommended that all administrative costs incurred by municipalities incurred in the delivery of "core provincial programs" be funded at 100% by the province; and that administrative costs incurred by municipalities in the delivery of "non-core provincial programs" be funded at the same fixed provincial-municipal shares as the fixed operating cost share formula.

11.8 It is recommended that municipalities continue to provide capital funding for social service facilities, but only in non-core provincial program areas which remain discretionary to them. All capital requirements in core provincial program areas would be assigned to the province.

Section 6 - Municipal Planning of Social Services

11.9 It is recommended that the responsibility for the local planning of social service formally reside with the municipal council or its delegated committee.

11.10 It is recommended that consideration be given to the designation of the municipal planning function as a mandatory, legislated requirement, to be carried out on a regional or county basis, where applicable.

11.11 It is recommended that Council or its designated committee undertake the planning function in a manner that would encourage full public participation in its deliberations; and that formal planning relations be established with provincial staff.

11.12 It is recommended that Councils be required to produce a "social development plan(s)" in order to guide Council decision-making in the planning and delivery of social services; that such plans be mandatory; and that process pertaining to such plans be established in provincial legislation.

It is further recommended that the province produce its own broad social service plan, and that local social development plans be required to generally conform to it.

11.13 It is recommended that the development and maintenance of social development plans be cost-shared on a fixed percentage basis to be negotiated between the province and the municipal sector.

Section 7 - Municipal Delivery of Social Services

11.14 It is recommended that diversity in the delivery of social services be viewed as a strength of the system and that municipalities be viewed as one delivery agent among many in a system of community-based service.

11.15 It is recommended that the scope of the municipal delivery of social services no longer be constrained by the limiting view of the delivery of emergency and short-term assistance only.

11.16 It is recommended that the provincial development of service plans be supported, and that standards necessary to achieve province-wide objects be set out in provincial guidelines for each "core provincial program" and non-core program; and that these be the subject of public consultation.

11.17 It is recommended that municipal input to provincial decision-making in program, policy and rate-setting be formalized in consultation with the municipal sector and AMO, and that such input not be limited by reason of the absence of municipal cost-sharing in "core provincial program" areas.

11.18 It is recommended that the merits of the options contained in the Discussion Paper for each of the six program areas be determined on the basis of their fit with the preferred model set out in Section 8.

12. TABLES

Table 12.1

Spending Estimates
Provincial-Municipal Programs
1986/87 - 1988/89

	Ministry of Community and Social Services	Municipal	Total
1986/87	1.1 billion	309 million	1.4 billion
1987/88	1.2 billion	333 million	1.5 billion
1988/89	1.5 billion	408 million	1.9 billion
	3.8 billion	1.05 billion	4.8 billion

(all sources: Provincial-Municipal Social Services Review, Ministry of Community and Social Services)

Table 12.2

Program Expenditures
Provincial-Municipal Programs
1988/89

Program Area Expenditures by Percentage of Total Spending

	%	Rank
General Welfare Assistance	45.0%	1
Child Care	17.7%	2
Homes for the Aged	16.9%	3
Children's Aid Societies	14.2%	4
Community Support	4.4%	5
Elderly Persons Centres	1.0%	6
Homemakers and Nurses Services	0.8%	7
	100.0%	

Table 12.3

Cost-Sharing Formulae: Operating
Provincial-Municipal Programs
Percentages

Program	Federal	Provincial Net	Municipal Net	Other Net
1. Municipal Assistance - GWA	50	30	20	
2. Special Assistance	50	--	50	
3. Supplementary Aid	50	30	20	
4. Municipal Administrative Costs - G.W.A.	50	--	50	
5. Purchase of Counselling Services	50	30	20	
6. Work Activity Projects - G.W.A.	50	30	20	
7. Employment Opportunities Program	50	30	20	
8. Municipal Homes for the Aged	--	70	30	
9. Elderly Persons Centres	--	50	20 (min.)	30
10. Homemakers Services	50	30	20	
11. Nurses Services	--	80	20	
12. Home Support Services	50 (variable)	70 (variable)	variable	
13. C.A.S.	50	30	20	
14. Child Welfare Grants	--	50	50	
15. Child Care	50	30	20	

Table 12.4

Cost-Sharing Formulae: Capital
Provincial-Municipal Programs
Percentages

Program	Federal	Provincial Net	Municipal Net	Other Net
1. Municipal Homes for the Aged	--	50	50	--
2. Elderly Persons Centres	--	30	20 (min.)	50
3. Children's Aid Societies	--	25	(variable)	(variable)
4. Child Care	--	50	50	--

Table 12.5

Municipal Expenditures on Social Services
1977 - 1986

	Amount	As Percentage of Total Municipal Operating Expenditures
1977	$ 515,651	13.48
1978	582,404	13.90
1979	651,625	14.33
1980	735,311	14.38
1981	833,159	14.42
1982	1,000,727	15.12
1983	1,181,032	16.44
1984	1,266,149	16.35
1985	1,368,167	16.37
1986	1,526,871	17.01

Table 12.6

Actual Municipal Expenditures, 1986
Provincial-Municipal Programs

Programs	Amount
G.W.A. Allowances and Benefits	$ 105,479,872
G.W.A. Administrative Costs	42,719,571
G.W.A. Purchase of Counselling	450,810
Work Activity Projects	470,604
Employment Opportunities	1,424,018
Homes for the Aged - Operating	38,977,598
Homes for the Aged - Capital	15,132,107
Elderly Persons Centres - Operating	3,073,552
Elderly Persons Centres - Capital	3,123,008
Home Support Services	4,128,884
Homemakers and Nurses Services	2,289,461
Community and Neighbourhood Resource Centres	2,690,742
Children's Aid Societies - Operating	43,352,517
Children's Aid Societies - Capital	---
C.S.C.AG's	---
Child Welfare Municipal Grants	4,914
Child Care - Operating	23,239,471
Child Care - Capital	96,522
Program Total	286,653,651
Municipal Administration - Non-Shared	17,475,553
Municipal Grants - Non-Shared	14,893,060
Total	**319,002,264**

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